



*United States Attorney
Southern District of New York*

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**U.S. CHARGES THEATRICAL UNION OFFICIAL
WITH MAIL FRAUD IN REAL ESTATE SCHEME**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced today that VINCENT CALLAGHAN, Business Representative of Local 798 Theatrical Make-Up Artists, Hairstylists of The International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts of the United States, Its Territories and Canada ("Local 798") has been charged in a Complaint with a scheme to defraud Local 798 of the intangible right to the honest services of a Business Representative of Local 798 through the use of the mails.

According to the Complaint, CALLAGHAN entered into contracts to sell condominium apartments in a union-owned building to his relative (the "Relative"), his relative's girlfriend (the "Girlfriend") and a company owned by the Girlfriend when these transactions had not been authorized by Local 798's Executive Board.

According to the Complaint, by statute, a union official owes a fiduciary duty to the union and its members. Specifically, under the labor laws, a union official must hold the union's money and property solely for the benefit of the union and its members and to manage and invest the union's assets in accordance with its constitution and by-laws and any resolutions of the governing bodies. In addition, a union official is required by statute to refrain from dealing with the union on behalf of an adverse party in any matter connected with his or her duties.

According to the Complaint, CALLAGHAN held the position of Business Representative of Local 798 and under its constitution, was responsible for the business interests of Local 798 under the direction of the Executive Board.

According to the Complaint, Local 798 Realty Corp. (the "Realty Corp.") was incorporated with the purpose of holding title to real property on behalf of Local 798. CALLAGHAN was Assistant Secretary of Realty Corp. In 1997, Realty Corp. acquired a three-story building known as 152 West 24th Street, New York, New York (the "Building"). Local 798 occupied the second store of the Building.

According to the Complaint, in January 2004, an attorney hired by CALLAGHAN's Relative filed an application with the New York State Department of Law (the "Department of Law") to convert the Building to condominium apartments. The application

included a contract selling one of the apartments to the Relative's Girlfriend and two other contracts selling two apartments to a corporation held by the Girlfriend.

According to the Complaint, when the scheme was discovered by the Executive Board, the sales of the apartments were stopped because the sales to the Relative and to the Girlfriend had not been authorized by the Executive Board.

CALLAGHAN, 75, lives in Cliffside Park, New Jersey.

If convicted, CALLAGHAN faces a maximum penalty of 20 years in prison and a fine of \$250,000.

Mr. KELLEY praised the investigative efforts of the United States Department of Labor for its work on this case.

Assistant United States Attorney SERENE K. NAKANO is in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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